

**Verizon New England Inc.  
d/b/a Verizon Massachusetts**

**Commonwealth of Massachusetts**

**D.T.E. 01-31 Phase II (Track B)**

**Respondent:** Paula L. Brown

**Title:** Vice President – Regulatory

**REQUEST:** DTE Supplemental Record Request

**DATED:** February 10, 2003

**ITEM:** Supplemental RR DTE 1 Please provide an update to Verizon's response to DTE-VZ 3-2 by specifying the revenue effect of an intrastate switched access rate reduction to the applicable UNE rates established by the Department in the D.T.E. 01-20 proceeding. Please attach supporting workpapers.

**SUPPLEMENTAL  
REPLY:** Verizon considers certain data responsive to this request proprietary and competitively sensitive. That data will be made available to the extent provided for in a mutually agreeable Protective Agreement.

Verizon MA has updated its response to DTE-VZ 3-2 by calculating the revenue effect of an intrastate switched access rate reduction to the UNE rates established by the Department in the D.T.E. 01-20 proceeding and filed by Verizon MA on February 13, 2003. If intrastate switched access were to be priced at the February 13, 2003 UNE rate levels, the dial-tone line rate increase associated with the switched access restructure, the elimination of the monthly rate for residence Touch Tone service, and the reduction of Special Access rates to UNE rate levels (see response to Supplemental RR DTE 2) would be \$2.89 per line per month.

Verizon is providing this information in response to the Department's request, but notes that a reduction of switched access charges to UNE rates levels is not proposed in Verizon's compliance filing. In the Phase I Order, the Department only required the reduction of switched access rates to the interstate level. Verizon complied with the Department's Phase I requirements in its June 5, 2002 and August 28, 2002 filings. Any further reduction is beyond the scope of this proceeding.

Workpapers supporting these estimated impacts are attached.

VZ RR # 289 S

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**REQUEST:** DTE Supplemental Record Request

**DATED:** February 10, 2003

**ITEM:** Supplemental RR DTE 2 Please provide an update to Verizon's response to DTE-VZ 3-4 by specifying the revenue effect of an intrastate special access rate reduction to applicable UNE rates established by the Department in the D.T.E. 01-20 proceeding. Please attach supporting workpapers.

**SUPPLEMENTAL  
REPLY:** Verizon MA considers certain data responsive to this request proprietary and competitively sensitive. That data will be made available to the extent provided for in a mutually agreeable Protective Agreement.

Verizon MA has updated its response to DTE-VZ 3-4 by calculating the revenue effect of an intrastate special access rate reduction to the UNE rates established by the Department in the D.T.E. 01-20 proceeding and filed by Verizon MA on February 13, 2003.

Because the overwhelming majority of Special Access services obtained by CLECs from Verizon MA are interstate Special Access (under the jurisdiction of the FCC), rather than intrastate Special Access (under the jurisdiction of the Department), the residence dial tone line rate increase necessary for a revenue neutral adjustment of Verizon MA's rates if only intrastate Special Access rates are reduced to UNE-based levels continues to be one cent per month (please see the attached worksheets). However, as the Company stated in its original response, there will be a significant opportunity for arbitrage created by the reduction in intrastate access charges to UNE-based price levels. As described in response to Information Request DTE-VZ 3-5(c), there is no means by which Verizon MA can determine whether a customer is using intrastate Special Access for interstate traffic. If the prices of intrastate Special Access services were to be reduced to UNE levels, it is reasonable to expect that there will be many carriers who will switch from interstate Special Access to intrastate Special Access to obtain the reduced prices.

VZ RR# 291S